

When Your Traditional Telephone Service Is Switched Without Your Permission - "Slamming"

FCC Consumer Facts

Background

"**Slamming**" is the illegal practice of changing a consumer's telephone service without permission. New consumer protection rules created by the Federal Communications Commission (FCC) provide a remedy if you've been slammed.

Your Rights if You Have Been Slammed

If you have been slammed and HAVE NOT paid the bill of the carrier who slammed you:

You DO NOT have to pay anyone for service for up to 30 days after being slammed. This means you do not have to pay either your authorized telephone company (the company you actually chose to provide service) or the slamming company. You must pay any charges for service beyond 30 days to your authorized company, but at that company's rates, not the slammer's rates.

If you HAVE paid your phone bill and discover that you have been slammed:

The slamming company must pay your authorized company 150% of the charges it received from you. Out of this amount, your authorized company will then reimburse you 50% of the charges you paid to the slammer. For example, if you were charged \$100 by the slamming company, that company will have to give your authorized company \$150, and you will receive \$50 as a reimbursement.

With these rules, the FCC has taken the profit out of slamming and protected consumers from illegal charges.

New Guidelines for Telemarketing Switches

Before a telephone company can place an order to switch a customer who agreed to sign up during a telemarketing call, the company must use at least one of the following methods to verify that the customer authorized the switch:

- Obtain a written or electronic Letter of Agency (LOA) from the customer. Any written or electronic LOA used to confirm a telemarketing order must include: (1) the subscriber's billing name and address, (2) each telephone number to be covered by the order to change the subscriber's telephone company, (3) a statement that the subscriber intends to change from his or her current telephone company to this new company, (4) a statement that the subscriber designates this new carrier to act as the agent for this change, and (5) a statement that the subscriber understands that there may be a charge for this change. It must also be separate from any promotional material - like prizes, contests, and forms - that come with it.
- The LOA provided by the carrier must be limited strictly to authorizing a change in telephone carrier and it must be clearly identified as an LOA authorizing the change. The LOA must be written in clear language and the print must be of sufficient size and readable style, generally comparable in type, style, and size to any promotional materials, and must make clear to the consumer that the document, when signed, would change his or her telephone carrier.

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Only the name of the telephone carrier that will set the consumer's rates can appear on the letter of authorization. The LOA must also contain full translations if it uses more than one language.

NOTE: Advertising promotions that use checks can incorporate an LOA but must meet specific guidelines. A check must contain the necessary information to make it a negotiable instrument and shall not contain any other promotional language or material. The carrier must place the required LOA language near the signature line on the back of the check. In addition, the carrier must print on the front of the check, in easily readable, bold-faced type, a notice that the consumer's signature will authorize a change in his or her telephone carrier.

- Provide a toll-free number that the consumer can call to confirm the order to switch telephone companies.
- Have an independent third party verify the customer's authorization to switch.

NOTE: The Communications Act makes telephone companies responsible for the acts of their agents, including their telemarketers.

How to Avoid Being Slammed

Be a smart consumer:

- Always examine your phone bill immediately and thoroughly.

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- Be aware of the ways in which companies are legally permitted to change your telephone service. The FCC's rules require companies to obtain your clear permission before such a change. For example, a company may send you an LOA to verify that you want to switch your service to a new company. The LOA is only valid if you sign and date it. It must be used solely to authorize a change in company, and it must be clearly identified as an LOA authorizing the change. Only sign it when you are sure you want to change companies.
- A company might also solicit your telephone business over the phone or electronically. Companies must then verify your authorization by asking you to confirm your order by some means, such as calling a toll-free number used exclusively for this purpose. A company may also employ an independent third party to verify your request to change telephone companies.

What to Do if You've Been Slammed

If your telephone company has been changed without your permission:

- Call the slamming company and tell them that you want the problem fixed. If you have not paid, tell them that you will not pay for the first 30 days of service. Call the authorized company (local or long distance) to inform them of the slam. Tell them that you want to be reinstated to the same calling plan you had before the slam.
- Tell them that you want all "change of carrier charges" (charges for switching companies) removed from your bill.

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You can also file a complaint. Depending on where you live, you will either file with your state or with the FCC. There is a list of which states accept complaints at www.fcc.gov/slamming. You can also check with your state's regulatory commission or Attorney General. The number for your state's regulatory commission, Attorney General, or Consumer Affairs Office is in the blue pages (the "State Government" section) of your phone book.

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Your state's regulatory commission or Attorney General's Office can advise you on the appropriate procedures for filing complaints with local authorities. In addition, the FCC's Consumer Center at 1-888-CALL-FCC (1-888-225-5322) voice, or 1-888-TELL-FCC (1-888-835-5322) TTY, provides information on slamming and slamming complaints. If your state does not handle slamming complaints, contact the FCC at these numbers for instructions on how to file a complaint with the FCC.

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